

WASHINGTON, D.C. - The Children's Health and Medicare Protection Act, passed today by the House of Representatives, provides a fix to a Medicare reimbursement problem that has plagued Central Coast communities for years.

"I'm glad that we've started the process to bring all of our doctors online to receive their proper payments," said Rep. Sam Farr (D-Carmel), who has fought for equitable reimbursement levels for years. "Medicare should properly reimburse all doctors in California, and this bill moves us in that direction."

The bill would adjust the Geographic Practice Cost Index, known as GPCI, for California counties effective January 1, 2008. For the Central Coast, this would increase reimbursement levels for Monterey and Santa Cruz counties. The legislation would also hold San Benito County "harmless" until the next adjustment round, meaning reimbursement rates would not fall. The next adjustment would take place in 2011.

The language, modeled after separate legislation introduced earlier this year by Rep. Farr, is an integral first step toward providing a permanent solution to a flaw in the Medicare doctor reimbursement formula that unfairly underpays some California counties. Those counties are limited in their Medicare reimbursements by GPCI, a geographic designation that is now 40 years old that labels certain counties as "rural" even though their economies have changed in the ensuing four decades.

"Today, the CMA applauds Congressman Sam Farr's dedication to the patients and physicians of California," said Anmol Mahal, president of the California Medical Association. "The CMA also appreciates Congressman Farr's incredible leadership to bring about equity in Medicare geographic payments. Congressman Farr spearheaded the geographic payment solution. Without his resolve, patients in Santa Cruz and San Benito would be experiencing greater access barriers."

In some cases in California, doctors are receiving payments up to 25 percent lower than those in neighboring counties with similar economies. Because of this flaw, seniors are in jeopardy of losing access to their doctors, many of whom are refusing to take new Medicare patients.

While doctors in San Benito County will not immediately see an increase in their compensation, they are now on track to be readjusted once their geographic adjustment falls within the guidelines. The bill, which would also increase by 5 million the number of children

eligible for the State Children's Health Insurance Program, passed by a vote of 225-204.

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